
By: **Delegates Healey, C. Davis, Marriott, Poole, and Shriver**
Introduced and read first time: February 5, 1998
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Health Insurance Premiums**

3 FOR the purpose of allowing an individual a subtraction modification under the
4 Maryland income tax for certain health insurance premiums paid by the
5 individual; providing for the application of this Act; and generally relating to a
6 subtraction modification under the Maryland income tax for health insurance
7 premiums.

8 BY repealing and reenacting, without amendments,
9 Article - Tax - General
10 Section 10-208(a)
11 Annotated Code of Maryland
12 (1997 Replacement Volume)

13 BY adding to
14 Article - Tax - General
15 Section 10-208(m)
16 Annotated Code of Maryland
17 (1997 Replacement Volume)
18 (As enacted by Chapter 485 of the Acts of the General Assembly of 1997)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Tax - General**

22 10-208.

23 (a) In addition to the modification under § 10-207 of this subtitle, the
24 amounts under this section are subtracted from the federal adjusted gross income of
25 a resident to determine Maryland adjusted gross income.

26 (M) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
27 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT

1 PAID BY AN INDIVIDUAL DURING THE TAXABLE YEAR FOR INSURANCE THAT
2 CONSTITUTES MEDICAL CARE FOR THE INDIVIDUAL OR THE INDIVIDUAL'S SPOUSE
3 OR DEPENDENTS.

4 (2) THE SUBTRACTION UNDER THIS SUBSECTION:

5 (I) DOES NOT INCLUDE THE AMOUNT OF PREMIUMS PAID UNDER
6 AN EMPLOYEE BENEFIT PLAN UNLESS THOSE AMOUNTS ARE INCLUDED IN THE
7 INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME; AND

8 (II) SHALL BE REDUCED BY THE AMOUNT OF ANY DEDUCTION
9 ALLOWED UNDER § 162(L) OF THE INTERNAL REVENUE CODE.

10 (3) IF THE INDIVIDUAL ITEMIZES DEDUCTIONS ON THE INDIVIDUAL'S
11 MARYLAND INCOME TAX RETURN, THE SUBTRACTION UNDER THIS SECTION MAY
12 NOT EXCEED 7.5% OF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 1998 and shall be applicable to all taxable years beginning after December 31,
15 1997.